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MONTANA LEGISLATIVE HISTORY

Chapter 523 1985

Bill H _____ S 284 Original bill & history ____C

H. Committee on Business & Economic Development		S. Committee on Business & Industry	
Hearing Date(s) Mar 06	✓ C	Hearing Date(s) Feb 08	✓ C
_____	____C	Feb 10	✓ C
_____	____C	_____	____C
_____	____C	_____	____C
Date Out Mar 06	✓ C	Feb 11	✓ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

Free Conference Committee
March 22

4/28 SIGNED BY SPEAKER
5/01 TRANSMITTED TO GOVERNOR
5/22 SIGNED BY GOVERNOR
CHAPTER NUMBER 707 EFFECTIVE DATE: 5/22/89

SB 284 INTRODUCED BY THAYER, ET AL.
PROVIDE THAT NONDEALERS MAY NOT ACT AS DEALERS IN SELLING MOTOR VEHICLES

1/30 INTRODUCED
1/30 REFERRED TO BUSINESS & INDUSTRY
2/08 HEARING
2/13 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/15 2ND READING PASSED 50 0
2/17 3RD READING PASSED 47 2

TRANSMITTED TO HOUSE
2/21 REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT
3/06 HEARING
3/07 COMMITTEE REPORT--BILL CONCURRED AS AMENDED
3/09 2ND READING CONCURRED AS AMENDED 87 3
3/11 3RD READING CONCURRED 77 14

RETURNED TO SENATE WITH AMENDMENTS
3/14 2ND READING AMENDMENTS NOT CONCURRED 44 0
3/17 CONFERENCE COMMITTEE APPOINTED
3/27 CONFERENCE COMMITTEE DISSOLVED

HOUSE
3/18 CONFERENCE COMMITTEE APPOINTED
3/28 CONFERENCE COMMITTEE DISSOLVED

SENATE
3/27 FREE CONFERENCE COMMITTEE APPOINTED
3/28 FREE CONFERENCE COMMITTEE REPORT NO. 1
3/30 2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED 50 0
4/01 3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED 46 2

HOUSE
3/28 FREE CONFERENCE COMMITTEE APPOINTED
3/28 FREE CONFERENCE COMMITTEE REPORT NO. 1
3/30 2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED 93 0
3/31 3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED 97 1

4/08 SIGNED BY PRESIDENT
4/08 SIGNED BY SPEAKER
4/10 TRANSMITTED TO GOVERNOR
4/13 SIGNED BY GOVERNOR
CHAPTER NUMBER 523 EFFECTIVE DATE: 10/01/89

SB 285 INTRODUCED BY HALLIGAN
ALLOW PUBLIC CORPORATION TO FUND WORKERS' COMPENSATION SELF-INSURANCE BY SALE OF BONDS

1/30 INTRODUCED
1/30 REFERRED TO LABOR & EMPLOYMENT RELATIONS

DISPOSITION OF SENATE BILL 279

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

Announcement: Chairman Thayer asked Vice-Chairman Meyer to please take the chair.

HEARING ON SENATE BILL 284

Presentation and Opening Statement by Sponsor: Senator Gene Thayer, Senate District #19 said, "SB 284 was requested by the automobile industry...basically, over the last two years, the legislature has developed a fairly stringent system of set of statutes relating to the sale of new and used motor vehicles to Montana consumers. SB 284 is a continuation of this process...This bill is a clairfication for existing statutes of who, and who cannot sell used motor vehicles to the consumers in Montana. In order to qualify for the privilege of selling new and used cars in Montana, an individual must meet certain statutory and regulatory reqirements. The law specifies that a substantial amount of investment, in business, must be made by our motor vehicle people. Many of these requiements are made to protect the consumer in the purchase of the motor vehicle."

"This bill is designed to address when individuals or businesses purchase several used vehicles, either from individuals or at auctions, they bring them to a city that offers the vehicles for sale. Either the cars are advertised for sale in the newspaper, or they are placed on parking lots...with for sale signs in the window. Many times these individuals even have the ownerships of these cars transferred into their own name, they do not provide warranty or service contracts, or comply with federal used car regulation. This bill doesn't, in any way, prevent any individual from selling his or her own car through newspaper advertising, or sticking a for sale sign in the car window and driving it around town. Basically this bill requires that if someone is going into the business of selling used cars they must comply with the state law, and be licensed under the provisions of state law."

List of Testifying Proponents and What Group They Represent:

Steve Turkiewicz - Executive Vice-President
Montana Auto Dealers Association
Bob DePratu - Montana Auto Dealers Association
Tim Ryan - Auto Dealers, Great Falls, Montana
Mike Grimes - Auto Dealers, Helena, Montana
Jeff Kirkland - Montana Credit Unions League

List of Testifying Opponents and What Group They Represent:

Tex Pate - Montana Auctioneers Association

Testimony: Steve Turkiewicz said, "I would like to quote from a letter that was written in 1986 by the nineteen Missoula County dealers, to the County Attorney `there are numerous cars sold in Missoula an estimate of at least two hundred each month by several people who claim to be wholesalers. They have no dealer license, many of these vehicles are re-builts, undeclared to purchaser...you can drive down the street anytime day or night, and see the vehicles for sale many of these vehicles are parked on city and county right-of-ways, many of these vehicles have no license plates, or the wrong license plates, yet seeing them being moved from one corner to corner to another without any problem."

"There are several people in Missoula County who have no lot, no insurance, no signs or no federal warrant to display their stickers or a dealer license. These people are hurting the legitimate dealers that follow the vehicle sale laws." (See Exhibit #8)

Bob DePratu said, "One of the things that really concerns me, in seeing these vehicles brought in, there are many many of them that are purchased from wrecking yards, purchased from out-of-state, brought in to an area and sold by these individuals who actually are wholesalers becaues they have numerous vehicles for sale. However, they're passed off to the consumer as being a private vehicle transaction, which they are not. The other thing that really concerns me, about it, is the lack of trail. As an automobile dealer, whether you are a new or used automobile dealer licensed by the state, you are required by very stringent laws to provide a tracking system of legal papers to that vehicle and also the odometer mileage and the auto dealers support...the state and county does not collect any taxes on the vehicle."

Tim Ryan said, "I view this as a consumer protection movement, because we have people who are dealing in

deceptive practices. They feel they are buying an automobile from an individual, and they are not. We are in support of this bill."

Mike Grimes said, "I also would like to voice the same concerns, and say I am in favor of passage of this bill. The other potential danager that can occur, is that a person will buy one of these vehicles, and the title would pass hands, and would pay on a cash transaction, and then later on would find that there is a lien filed against that vehicle and the new owner would have to pay."

Jeff Kirkland said, "Typically we would not be appearing here on behalf of a bill having to do with the sales of cars...we support the intent of the bill...but we feel that the language within the bill needs some clarification for this reason. Our credit unions across the state, have an enjoyable history of working with local auto dealers in car promotions in various localities...we... propose an amendment to this bill. That is, essentially, clarifying that financial institutions would be able to continue to...work with the auto dealers in promoting these particular sales. (See Exhibit #9 and #10). We hope that you would take a good look at the amendment and find it acceptable."

Tex Pate said, "The auctioneers are going to have a problem with this, we don't want to all become dealers. The way we read it, to do a farm sale with a titled vehicle, we are not allowed...the problem I have, is on line 20 page 3 `a lot'...section 3, refers to say we cannot solicite the sale...we would like to have this addressed, because we feel that there is a problem here. The auctioneers do sell a lot of cars."

Questions From Committee Members: Senator Williams asked, "What does it take to be an automobile dealer, new or used?" Steve Turkiewicz said, "New, you would have to have a franchise from a new car manufacturer, and for used you would have to have a lot, you would have to have a sign that is readable from one hundred and fifty feet, you have to have certification with the Department of Justice, you have to keep records of the cars that you sell, the current inventory, and that is open to reeview by the Department of Justice, a specific fee and license for that, and you also have the law the committee addressed."

Senator Thayer told Senator Lynch he had an amendment ready, which addressed Jeff Kirkland,s question, and it would clarify the problem. He said the only distinction that

had to be made, was the person recieving the money would be the owner of the auctioned materials. He said he thought the amendments would clarify the langusge to show the auctioneer was acting on that person's behalf, and that should take care of the problem. (Exhibit 11)

Senator Thayer told Senator Weeding a person buying a used vehicle, took title to the vehicle, and would be the sole owner of that vehicle. Under this bill, he would be treated as anyone else, as a private person, and would be exempt and able to resell that vehicle. The bill is only designed to take care of people trying to circumvent the present law.

Vice Chairman Meyer asked if this eliminated an open title? Tim Ryan told him yes, it did.

Bob Robinson told Senator Lynch the Registrar's Office had asked him about the word consigning on page 1, line 13. He said there was a concern as to whether consignment to a sales lot would be a violation. He asked to amend the language to read "taking for consignment".

Senator Noble said he could see where this was a problem, and felt this was a comsumer bill. He said there should be some method of recourse.

Closing by Sponsor: Senator Thayer said, "We tried very hard to desing this bill to be sure that we weren't going to be offending anybody that is legitimately a single owner, and wants to sell their own car. I think the language says that, and I have no problem with changing the consignment that has been offered. I think we can come up with language that takes care of Mr. Pate's problem."

DISPOSITION OF SENATE BILL 284

Discussion: None

Amendments and Votes: None

Recommendation and Vote: None

DISPOSITION OF SENATE BILL 298

Discussion: None

ROLL CALL

BUSINESS & INDUSTRY COMMITTEE

DATE 2/8/89

51st LEGISLATIVE SESSION 1989

NAME	PRESENT	ABSENT	EXCUSED
SENATOR DARRYL MEYER	✓		
SENATOR PAUL BOYLAN	✓		
SENATOR JERRY NOBLE	✓		
SENATOR BOB WILLIAMS	✓		
SENATOR TOM HAGER	✓		
SENATOR HARRY MC LANE	✓		
SENATOR CECIL WEEDING	✓		
SENATOR JOHN"J.D."LYNCH	✓		
SENATOR GENE THAYER	✓		

Each day attach to minutes.

Exhibit # 8
2/8/89
SB 284

Exhibit # 8 was never received by the committee secretary.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 9
DATE 2/8/89
BILL NO. SB284

Montana Credit Union Network

Montana Credit Unions League · Treasure State Corporate Central Credit Union · CUSERV Corporation

January 31, 1989

Steve Turkiewicz
Montana Automobile Dealers Assn
502 N Sanders
Helena MT 59601

Subject: Senate Bill 284, House Bill 406 -- Motor Vehicle Dealers

Dear Steve:

Enclosed are the amendments to Senate Bill 284 that we discussed on the phone today.

The amendments merely ensure that Senate Bill 284, House Bill 406, and existing law could not be misinterpreted to restrict financial institutions from participating in promotions with car dealers or rental companies. In neither case do the credit unions sell cars. They merely join with the dealers or rental companies in promoting the "car sale" and then set up a desk to finance purchases that are made at the sale. I have attempted to draw the rental company exemption narrowly to apply only to companies selling their own cars used in their own business.

The amendment also provides an express statement of the current interpretation exempting sales under repossession, also narrowly drawn.

I have discussed the amendments in concept with Peter Funk of the Justice Department and he is supportive in concept. I am sending him a copy for his review.

Mary McCue, staff attorney to the Senate Business and Industry Committee, is also receiving a copy for advance notice and technical review.

Since time is relatively short, I am sending a copy to Senator Thayer for advance notice as well. But please contact him from your end after your review, as we discussed.

If you have any problems with the draft, please contact the Network office. I will be out of town until February 9, but will be calling in each day. A message can be left with Jeff Kirkland--or in his absence, with Joan Himel.

Ex. # 9
2/8/89

Proposed Amendment to
Senate Bill No. 284

1. Page 5
Following: line 12
Insert: "**Section 4.** Exemption for financial institution. This part does not require licensure of or restrict or prohibit a financial institution, as defined in 32-6-103:

1) in the selling of collateral repossessed on default of a loan made by that financial institution;

2) in the conduct of a motor vehicle sales promotion in affiliation with one or more licensed dealers; or

3) in the conduct of a motor vehicle sales promotion in affiliation with a person regularly engaged in a bona fide vehicle rental business when the purpose of the sale is to dispose of used motor vehicles used in that rental business."
Renumber: subsequent sections

2. Page 6, line 12
Following: "2"
Strike: "and 3"
Insert: "3, and 4"

3. Page 6, line 15
Following: "2"
Strike: "and 3"
Insert: "3, and 4"

Ex. #9
2/8/89

Proposed Amendment to
Senate Bill No. 284

1. Page 5
Following: line 12
Insert: "Section 4. Exemption for financial institution. This part does not require licensure of or restrict or prohibit a financial institution, as defined in 32-6-103:

1) in the selling of collateral repossessed on default of a loan made by that financial institution;

2) in the conduct of a motor vehicle sales promotion in affiliation with one or more licensed dealers; or

3) in the conduct of a motor vehicle sales promotion in affiliation with a person regularly engaged in a bona fide vehicle rental business when the purpose of the sale is to dispose of used motor vehicles used in that rental business."
Renumber: subsequent sections

2. Page 6, line 12
Following: "2"
Strike: "and 3"
Insert: "3, and 4"

3. Page 6, line 15
Following: "2"
Strike: "and 3"
Insert: "3, and 4"

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 10
DATE 2/8/89
BILL NO. SB 284

NAME: Jeffrey M. Kirkland DATE 2-9-89

ADDRESS: 2424 Teakwood Lane Helena, MT 59601

PHONE: 406/443-5541e

REPRESENTING WHOM? Montana Credit Unions League

APPEARING ON WHICH PROPOSAL: SB 284

DO YOU: SUPPORT? _____ AMEND? ✓ OPPOSE? _____

COMMENTS: The amendments ensure that SB 284 and existing law could not be misinterpreted to restrict financial institutions from participating in promotions with car dealers or car rental companies. The amendments also provide an express statement of the current interpretation exempting sales under repossession.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 11
DATE 2/8/89
BILL NO. SB 284

Amendments to Senate Bill No. 284
First Reading Copy

Requested by Sen. Gene Thayer
For the Committee on Business and Industry

Prepared by Mary McCue
February 8, 1989

1. Page 1, line 13.
Strike: "consigning,"
Insert: "taking for consignment"

2. Page 5, line 4.
Following: "vehicle"
Insert: "or the person is conducting a sale by auction pursuant to Title 30, chapter 11, part 5"

3. Page 5, line 10.
Following: "sale"
Insert: "or the person is is conducting a sale by auction pursuant to Title 30, chapter 11, part 5"

4. Page 5, lines 10 through 12.
Following: "the sale." on line 10
Strike: remainder of line 10 through end of line 12

DATE 2/8/89

COMMITTEE ON Business & Industry

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Oppo
Tom Hopgood	Health Ins. Assoc. America	279		✓
Jeff Kirkland	Mont. Credit Unions League	SB 284	✓	
Brenda Nordlund	MT Women's Lobby	279	✓	
Robert R Johnson	Mont. Pub Health Assoc	279	✓	
Denny J McCarthy MD	AMERICAN ACAD PED	279	✓	
Jerome J Loendorf	pub med assn.	279	✓	
Tom Harrison	Auto Dealers	279		✓
Judith Carlson	NASW	279	✓	
Barb Booker	MNA		✓	
Larry Arey	MALA			✓
Ted Pate	MT Auctioneers	284		✓
Robert DeRosier	MT Auto Dealers Assoc	284	✓	
Lon Ryan	MT Auto Dealers	284	✓	
E G Leipheimer	MT Auto Dealers	284	✓	
Karen Landis MD	Montana Council on Maternal and Child Health	279	✓	
Mike Grimes	Montana Auto Dealers	284	✓	
Steve Turkewicz	MT Auto Dealers	284	✓	
"	"	279		✓
Mike Grimes	Montana Auto Dealers	279		✓

Kathy Irigoin said that in 1985 legislature enacted a Montana Comprehensive Health Association for people who can't get health insurance.She said that before you were eligible for insurance through this association, you had to be rejected by two different insurers. She said it usually took longer than thirty days to be rejected by two different insurers, and if you didn't receive rejection within those thirty days, you could end up with lack of coverage before the association picked up your coverage.

Questions From Committee Members: None

Closing by Sponsor: Senator Thayer said he agreed with Mr. Butler's amendment. He said he thought ninety days would allow most people to find new coverage without going through the association Kathy Irigoin had mentioned, but that would also be available. He said he hoped the committee would act favorably on SB 364.

DISPOSITION OF SENATE BILL 364

Discussion: Chairman Thayer asked Mary McCue to read and explain the amendment.

Amendments and Votes: Senator Noble moved to amend SB 364 with the Butler amendment presented in Exhibit #3. Senator McLane seconded the motion. The motion Carried Unanimously.

Recommendation and Vote: Senator McLane made a motion SB 364 DO PASS AS AMENDED. Senator Noble seconded the motion. The motion Carried Unanimously.

DISPOSITION OF SENATE BILL 284

Discussion: Mary McCue said there were two separate sets of amendments. She said page one was the sponsors amendments, (See Exhibit #4) and page two had the amendments requested by the financial institutions (See Exhibit #5). She said amendment one on page 1 changed the language in line 13 from `consigning' to `taking for consignment'. She said amendments two and three were to address the concern that an auctioneer would be required to get a dealers license if there wasn't an exclusionary provision. She said this amendment quite narrow, and referred only to people making a sale by

auction, pursuant to their regulatory statutes within title thirty. She said number four was just amending out a sentence on page 5, which was unnecessary.

Amendments and Votes: Senator Meyer moved the amendments on page one, Exhibit #4. Senator Noble seconded the motion. The motion Carried Unanimously.

Discussion: Mary McCue reminded the committee that the credit unions had expressed the desire to have it made clear that financial institutions could continue these practices without being licensed.

Senator Lynch said he did not see a compelling reason to have the language `as long as a sale is not conducted on the property of a financial institution'. He said there may be a bank which repossessed a car, parked it next to the bank, and he couldn't see any reason to move it across the street to sell it.

Amendments and Votes: Senator Lynch moved to amend the amendment in exhibit #5, by placing a period after business, and strike `as long as a sale is not conducted on the property of a financial institution'. Senator Hager seconded the motion. The motion Carried.

Discussion: Bob Pyfer said he thought the intent was only to have a prohibition against conducting a sale on the property, in the case of rental car sales, not in the case of repossession. He said it would also cover sales in conjunction with licensed dealers, and that was why it was in subsection 3. He said he supposed that was something that could be misinterpreted.

Chairman Thayer said that as sponsor of the bill, he didn't have any problem with taking that out.

Amendments and Votes: Senator Lynch moved the amended version of the amendments in exhibit #5. Senator Meyer seconded the motion. The motion Carried.

Recommendation and Vote: Senator Lynch made a motion SB 284 DO PASS AS AMENDED. Senator Noble seconded the motion. The motion Carried Unanimously.

HEARING ON SENATE BILL 310

Presentation and Opening Statement by Sponsor: Senator McLane, Senate District 42, said SB 310 was an act to revise the electronic fund transfer act. He said the electronic funds transfer act was enacted in 1977 and

SENATE STANDING COMMITTEE REPORT

February 11, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration SB 284 (first reading copy -- white), respectfully report that SB 284 be amended and as so amended do pass:

1. Page 1, line 13.
Strike: "consigning"
Insert: "taking for consignment"

2. Page 5, line 4.
Following: "vehicle"
Insert: "or the person is conducting a sale by auction pursuant to Title 30, chapter 11, part 5"

3. Page 5, line 10.
Following: "sale"
Insert: "or the person is conducting a sale by auction pursuant to Title 30, chapter 11, part 5"

4. Page 5, lines 10 through 12.
Following: "the sale." on line 10
Strike: remainder of lines 10 through 12 in their entirety

5. Page 5, following line 12.
Insert: "NEW SECTION. Section 4. Exemption for financial institutions. This part does not require licensure of, or restrict or prohibit a financial institution, as defined in 32-6-103:

(1) in the selling of collateral repossessed on default of a loan made by the financial institution;

(2) in the conduct of a motor vehicle sales promotion in affiliation with one or more licensed dealers; or

(3) in the conduct of a motor vehicle sales promotion in affiliation with a person regularly engaged in a bona fide vehicle rental business if the purpose of the sale is to dispose of used motor vehicles used in the rental business."

Renumber: subsequent sections

6. Page 6, line 12.
Following: "2"
Strike: "and 3"
Insert: "through 4"

continued

7. Page 6, line 15.
Following: "2"
Strike: "and 3"
Insert: "through 4"

AND AS AMENDED DO PASS

Signed: Gene Thayer, Chairman

2-13-89
11:45 am

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 4
DATE 2/10/89
BILL NO. SB284

Amendments to Senate Bill No. 284
First Reading Copy

Requested by Sen. Gene Thayer
For the Committee on Business and Industry

Prepared by Mary McCue
February 8, 1989

1. Page 1, line 13.
Strike: "consigning,"
Insert: "taking for consignment"

2. Page 5, line 4.
Following: "vehicle"
Insert: "or the person is conducting a sale by auction pursuant to Title 30, chapter 11, part 5"

3. Page 5, line 10.
Following: "sale"
Insert: "or the person is conducting a sale by auction pursuant to Title 30, chapter 11, part 5"

4. Page 5, lines 10 through 12.
Following: "the sale." on line 10
Strike: remainder of line 10 through end of line 12

SENATE BUSINESS & INDUST.
EXHIBIT NO. 5
DATE 2/10/89
BILL NO. SB 284

1. Page 5, following line 12.
Insert: "NEW SECTION. Section 4. Exemption for financial institutions. This part does not require licensure of, or restrict or prohibit a financial institution, as defined in 32-6-103:

(1) in the selling of collateral repossessed on default of a loan made by the financial institution;

(2) in the conduct of a motor vehicle sales promotion in affiliation with one or more licensed dealers; or

(3) in the conduct of a motor vehicle sales promotion in affiliation with a person regularly engaged in a bona fide vehicle rental business if the purpose of the sale is to dispose of used motor vehicles used in the rental business, as long as the sale is not conducted on the property of the financial institution."

Renumber: subsequent sections

2. Page 6, line 12.
Following: "2"
Strike: "and 3"
Insert: "3, and 4"

3. Page 6, line 15.
Following: "2"
Strike: "and 3"
Insert: "3, and 4"

Questions From Committee Members: Rep. Nelson asked Sen. Thayer what he was referring to by third parties. Sen. Thayer said Sen. Noble's company went through a third party who handled the insurance package. The insurance payment was made monthly to the third party administrator and the administrator got behind in the payments. The insurance company notified the third party administrator that the insurance was being cancelled. Sen. Noble did not learn about the cancellation until 2-3 months later. This bill says that in the future the insurance company will have to notify the policy holder.

Rep. Thomas asked Mr. Butler if this would solve the situation in Great Falls? Who is buying the insurance, is it the third party or the business? Mr. Butler said the businesses have bought coverage through the third party administrators.

Closing by Sponsor: Sen. Thayer closed.

HEARING ON SENATE BILL 284

Presentation and Opening Statement by Sponsor:

Sen. Thayer, Senate District 19, Great Falls. This bill prohibits persons not licensed as dealers from acting as dealers in sales of motor vehicles.

Testifying Proponents and Who They Represent:

Steve Turkiewicz, MT Auto Dealers
Bob Pyfer, MT Credit Union League

Proponent Testimony:

Mr. Turkiewicz stated that his association supports this bill. Said there are numerous vehicles for sale by persons claiming to be wholesale dealers. They do not have a license to sell vehicles many times they park their vehicles on city and county rights of way; many don't have license plates or have the wrong license plates on them, yet they are moved from corner to corner by the owner trying to sell them. These people are hurting the legitimate people who follow the laws and are licensed to sell cars.
Mr. Pyfer stated that he would like to discuss the amendment in Section 4 on page 5. From time to time credit unions will get together with car dealers or rental car companies and join in a car sale whereby the credit union doesn't sell the cars per se, but finances the cars at the sale. In the conduct of these sales the credit union will promote the sale through their newsletter or through advertising for their members. We worked with the car dealers and the motor vehicle division to come up with the amendments.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Rep. Bachini asked Mr. Turkiewicz if we didn't address this same thing with a House Bill? Mr. Turkiewicz said we had not.

Rep. Simon asked Sen. Thayer what happens if I live in Billings and there is a better market in Missoula and I ask Rep. Hansen to sell my car for me? Isn't she breaking the law? Sen. Thayer referred this to Mr. Turkiewicz. He said the definition allows a private individual to sell no more than five vehicles per year.

Closing by Sponsor: Sen. Thayer said the only objection to the bill in the Senate committee was from auctioneers. They were afraid they would not be exempt and have to become used car dealers. But this was addressed on page 5 of the bill. We will be glad to work with this committee to address and concerns you may have. I think this is a good consumer bill.

HEARING ON SENATE BILL 229

Presentation and Opening Statement by Sponsor:

Sen. Boylan, Senate District 39. This bill will clarify the exemption of certain persons from the prohibition against debt adjusting.

Testifying Proponents and Who They Represent:

Mike Hall, Budget Acceptance Company & American Financial Services, Bozeman

Proponent Testimony:

See exhibit 1 for Mr. Hall's written testimony and the written testimony of others.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: (There were a few questions but there was too much noise in the room and the microphone did not pickup the voices clearly.)

Closing by Sponsor: Sen. Keating said if you have experienced the fact that you have a large medical bill and the coverage is a shortfall of what you thought you had, you know it is a gut wrenching experience. If is only fair that when people participate in a group policy that the group benefits are commensurate to the actualities of life. I ask your support of this bill.

DISPOSITION OF SENATE BILL 364

Motion: Rep. Thomas moved BE CONCURRED IN.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 364 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 284

Motion: Rep. Simon moved BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: Rep. Simon made an amendment to the bill. See the attached copy of the amendments. The amendments DO PASS.

Recommendation and Vote: SB 284 BE CONCURRED IN as amended unanimously.

DISPOSITION OF SENATE BILL 280

Motion: Rep. Thomas moved BE CONCURRED IN.

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 280 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 229

Motion: Rep. Nelson moved BE CONCURRED IN and moved the amendment.

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 3 6 89

NAME	PRESENT	ABSENT	EXCUSED
PAVLOVICH, BOB			✓
DeMARS, GENE	✓		
BACHINI, BOB	✓		
BLOTKAMP, ROB	✓		
HANSEN, STELLA JEAN	✓		
JOHNSON, JOHN			✓
KILPATRICK, TOM	✓		
McCORMICK, LLOYD "MAC"	✓		
STEPPLER, DON			✓
GLASER, BILL	✓		
KELLER, VERNON	✓		
NELSON, THOMAS	✓		
SIMON, BRUCE	✓		
SMITH, CLYDE	✓		
THOMAS, FRED	✓		
WALLIN, NORM	✓		
PAUL VERDON	✓		

CS-30

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

DATE 3/6/89 BILL NO. SB 284 NUMBER _____

NAME	AYE	NAY
Bob Pavlovich	/	
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser		
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Steppler		
Fred Thomas		
Norm Wallin		
TALLY	13	

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep. Bachini moved the bill be concurred in as amended

Stang will carry

STANDING COMMITTEE REPORT

March 6, 1989

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 284 (third reading copy -- blue) be concurred in as amended.

Signed: _____
Gene DeMars, Vice-Chairman

[REP. STANG WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 5, line 8.
Following: "prohibited"
Insert: "-- exemption"
Following: "."
Insert: "(1)"

2. Page 5, line 17.
Following: line 16
Insert: " (2) The provisions of subsection (1) do not apply to a person who sells no more than five new or used motor vehicles during any year."

VISITORS' REGISTER

Business COMMITTEE

182 229 280

BILL NO. 284 361 DATE 3/6/89

SPONSOR Keating Boylan Boylan

Please put the bill number. Thanks

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Steve WADDRON	MENTAL HEALTH CTRS HELENA	182	
Sue Reinsenbach	Chem Dep Programs of Montana	182	
Ted J. Doney	MT. Mental Health Counselors	182	
Gene Phillips	108 Bren Hogan Mgr		182
Tom Hopgood	Health Ins Assoc. America		182
Jim Murry	Montana Hospital Assn	182	
Mike Ruggles	COFM	182	
Mike Hall	2520 Spring Creek-Bzn	229	
KATHY ANDERSEN	IND INS AGENTS ASSOC OF MT	280	
Steve Turkiewicz	Mt Auto Dealer	284	
Mona Jamison	Rocky Mtn. Treatment Center	182	
Bob Ryffer	MT Credit Union League	Explain Amend 284	
Dave Evenson	University System		182

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES

51st LEGISLATURE - REGULAR SESSION

Call to Order: By Chairman Gene Thayer, On March 22, 1989 at 1:00 p.m., in room 405, State Capitol.

ROLL CALL: Chairman Gene Thayer, Senator Noble, Senator Weeding, Senator Galt, Representative Blotkamp, Representative DeMars, Representative Wallin, Representative Vincent.

FREE CONFERENCE COMMITTEE ON SENATE BILL 284

Chairman Thayer announced that Peter Funk of the Justice Department helped work up the amendment and he would explain some of the background.

Peter Funk stated, the House amended language in both sections 2 and 3. Later, language was inserted to try exempting auctioneers from the dealers licensure process. The insertion simply referred to a sale by auction pursuant to Title 30, Chapter 11, part 5. When you look at that section of the law it makes absolutely no distinction between a private auctioneer and automobile auctions. There are a couple such auctions in the state that are in the business of doing nothing but auctioning used automobiles. Those people, in our opinion, do need to be licensed as automobile dealers on the license exception. The amending language, inserted by the House, did not provide for private auctioneers.

Chairman Thayer said the Senate Business and Industry Committee had made the needed amendments, only to have it removed by the House.

Peter Funk asked for private auctioneers to be excluded. I've used the amendments prepared on March 15, and have distributed them to you. This was our effort to try drawing distinction between private auctioneers and auto auctions. It would merely be a new section, exempting certain auctioneers whose business consists primarily of the sale of personal property other than motor vehicles. In that way, we draw the distinction between them.

Steve Turkiewicz said he thought the Attorney General's amendments of March 15 was correct, and right where they wanted it. The other auctions would come under the regular motor vehicle licensing department. Their sale of used vehicles was already regulated. We're affording private auctioneers, who do not necessarily have an established high prerogative emphasis on automobiles, from being regulated by the Department of Justice.

Representative Wallin asked Peter Funk if the amendments just removed private auctioneers from regulation by the Department of Justice? Mr. Funk answered, that is correct. Representative Wallin asked, what if they have more than five vehicles? Mr. Funk said they could take them to a vehicle auction. Representative Wallin said he didn't have any problem with the amendments.

Senator Weeding asked if this would affect a farm auction, with an assortment of equipment? Mr. Funk stated, the intent of this bill was not to license any private auctioneers. He said their department did not feel private auctioneers were in the business of selling motor vehicles. Mr. Funk said they felt it would be better to put in a specific exemption rather than just have a department policy.

Chairman Thayer said that Mr. Pate, an auctioneer, had worked with the department to come up with this language. Chairman Thayer asked Mr. Pate if he cared to make a comment. Mr. Pate said he had been concerned with the original bill, because there was no way he could comply with the way it was written. He said he felt `stock cars' and the state of Montana's annual auctions were taken care of with this language.

Amendments and Vote: Senator Weeding made a motion to Adopt the Amendments. The motion Caried Unanimously.

Discussion: Bob Pyfer stated that since they were adding a new section to the bill, they needed to add that section to the codification. He said it was a simple matter. On page 7, line 8, add sections 2 and 3. Otherwise, you may have a technical problem down the line. Senator Weeding asked the committee to include these technical amendments in his motion. Chairman Thayer said said, let the record show that the technical amendments on page 7, line 8 were moved.

The committee voted unanimously to include the technical changes suggested.

The meeting adjourned at 1:22 p.m.

SENATOR GENE THAYER, Chairman

GT/ct

Free Conference Committee Report
on SB 284
Report No. 1, March 27, 1989
page 1 of 2

Mr President and Mr. Speaker:

We, your Free Conference Committee on SB 284 met and considered:

SB 284 (reference copy -- salmon)

We recommend that SB 284 (reference copy -- salmon) be amended as follows:

1. Page 5, lines 21 and 22.
Strike: "EXEMPTION FOR FINANCIAL INSTITUTIONS"
Insert: "Exemptions"

2. Page 5, line 22.
Following: "INSTITUTIONS."
Insert: "(1)

3. Page 5, line 25.
Strike: "(1)"
Insert: "(a)"

4. Page 6, line 2.
Strike: "(2)
Insert: "(b)"

5. Page 6, line 4.
Strike: "(3)"
Insert: "(c)"

6. Page 6.
Following: line 8
Insert: "(2) This part does not require licensure of an auctioneer whose business consists primarily of the sale of personal property other than motor vehicles."

continued

And that this Conference Committee Report be adopted.

FOR THE HOUSE

Rep. Blotkamp

Rep. Wallin

Rep. DeMars

FOR THE SENATE

Sen. Thayer, Chairman

Sen. Noble

Sen. Weeding

ADOPT

REJECT

ccsb284.323

Free Conference Committee Report
on SB 284
Report No. 1, March 27, 1989
page 1 of 2

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Strike: "(2)
Insert: "(b)"

5. Page 6, line 4.
Strike: "(3)"
Insert: "(c)"

6. Page 6.
Following: line 8
Insert: "(2) This part does not require licensure of an auctioneer whose business consists primarily of the sale of personal property other than motor vehicles."

continued

And that this Conference Committee Report be adopted.

FOR THE SENATE

Sen. Thayer, Chairman

Sen. Noble

Sen. Weeding

FOR THE HOUSE

Rep. Blotkamp

Rep. Wallin

Rep. DeHaas

ADOPT

REJECT

H.C. 8159
3/28/89
8:00 a.m.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 1
DATE 3/22/89
BILL NO. SB 284

Amendment to Senate Bill 284
Introduced Bill

Prepared by Peter Funk
Assistant Attorney General
Department of Justice
March 15, 1989

Following: Section 2

Insert: New Section. Section 3. Exemption for certain auctioneers. This part does not require licensure of an auctioneer whose business consists primarily of the sale of personal property other than motor vehicles.

(Remember subsequent sections following amendment)